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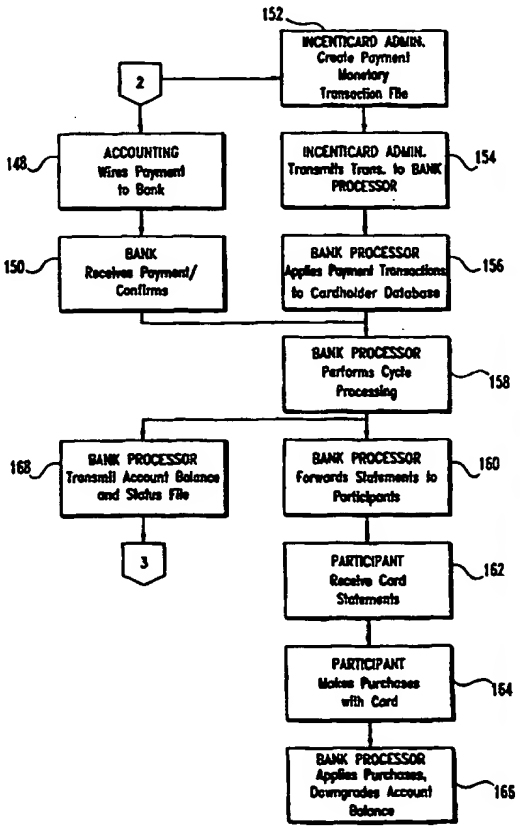
(57) Abstract

A system and process to administer an incentive award program through the use of a zero–limit credit instrument. The present invention allows incentive program Participants to take advantage of any incentive program earnings as a pre–payment to their card accounts. The Participants in the incentive program are issued a credit card account with a zero credit limit. Upon rewarding of earnings in the incentive program, a monetary payment is issued to the Participant's credit card account (156). While the account's credit limit remains at zero, purchases (164) may be made by authorizing purchase transactions against an outstanding positive balance on the account. Such authorization then temporality lowers the outstanding balance until settlement and posting of the purchase transaction into the Participant's account, which then permanently downgrades the outstanding balance (166).



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SYSTEM AND METHOD FOR ADMINISTRATION OF AN INCENTIVE AWARD PROGRAM THROUGH USE OF CREDIT

TECHNICAL FIELD OF THE INVENTION

The present invention generally relates to the field of computer programming and data processing systems for incentive award programs and, more particularly, to a system and method for administration of an incentive award program through the use of credit.

BACKGROUND OF THE INVENTION

Heretofore incentive companies have contracted with a sponsoring company for providing an incentive program to promote the sales of the sponsoring company's products or services, or to improve the performance of the sponsoring companies' personnel. The products or services promoted might have been of a specific nature, such as a certain model product, or have been broader, such as a full product line of the sponsor.

The usual Participants in such incentive programs comprise the sponsor's employees, the sponsor's customers and their employees, and/or independent contractors for the company's products or services or the end consumer who ultimately purchases the company's products or services. Rules are established in order for the Participants to earn awards under the programs. These rules vary depending upon what the sponsor hopes to achieve. Typically, with such programs, a certain objective or goal is established for each Participant. These goals or objectives can vary

depending upon the selection of the sponsoring company. The Participant's goal may be based on a certain percentage increase over that Participant's performance during the previous year, for example. Or the goal may be simply to buy or sell as many units of a certain product as possible, regardless of the previous year's or previous time period's performance.

Usually a certain number of points are awarded to the Participant under the rules for the Participant's purchasing or selling a designated dollar volume or quantity of products or services. If the Participant accumulates a predesignated number of points during a certain time period, then the Participant is enabled to acquire an award. In many cases, the value of the award or awards increases with the number of points accumulated. In the past, such awards have included converting the points earned to a dollar amount according to a formula. The dollars are then used to purchase merchandise shown in the incentive company's catalog, or to earn a paid trip for the Participant and perhaps a certain number of family members to a vacation spot such as Hawaii or Florida. In some cases, the points are converted to a direct cash payment to the Participant at either the culmination of the period or the program.

Such incentive programs have utilized computer programming and data processing to report to the Participants the number of points that have been achieved at certain periods during the program, and to advise how many more points the Participant needs to qualify for certain merchandise purchases or for the vacation goal.

The incentive programs heretofore known have had a number of drawbacks. There are two kinds of incentive marketing programs that utilize an award of merchandise. In some instances, an incentive company will employ a combination of both kinds in the distribution of merchandise. With one kind, the incentive company has its

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own warehousing facilities to store the merchandise. The incentive company buys the merchandise from manufacturers or distributors, and stocks its warehouses with the merchandise. The incentive company has catalogs prepared which show the merchandise stocked by the incentive company. If a Participant qualifies for an award of merchandise, the Participant is limited to the merchandise shown in the catalog. The items of merchandise which can be ordered through the catalog depend on the amount of points achieved by the Participant. Hence a Participant who has earned more points under the incentive program can order more expensive merchandise, or more items of merchandise, than one having a lesser accumulation of incentive points, within certain limits.

This warehousing has the disadvantage of tying up the incentive company's money in the inventory stockpile. This money is not drawing interest and is not being used while the inventory sits in the warehouse. Incentive companies can overestimate the amount of total achievement of the Participants under the various incentive programs it is providing, in which case the amount of merchandise to be ordered is less than expected, resulting in an overstocking of merchandise. This exacerbates the inventory drain since the merchandise sits in the warehouse for even a longer time. In fact, because of such a long duration of being stockpiled, some of the merchandise may have to be sold on the general market in order to become rid of it.

If on the other hand the incentive company underestimates the total performance of Participants in its incentive programs, then it may be understocked in the items of merchandise requested. This delays shipment and delivery of the requested merchandise, causing the Participant aggravation and dissatisfaction with the sponsor and the incentive company. Moreover, since these later purchases

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may not be in bulk, or because of price increases, the cost to the incentive company can be escalated above initial costs.

Another problem with such warehousing is that in order to counter problems of excessive inventory and to continually have merchandise readily available, the incentive companies tend to stock many of the same items year after year. The Participants become bored with having the same old merchandise choices, or a selection with little variety. Accordingly, Participants have little motivation to achieve an award in which they have little interest. Additionally, after the Participants acquire a certain number of the merchandise items through prior programs, they have no use for more of the same when the merchandise is again offered later. With such a warehousing system, the incentive company is motivated to buy merchandise in bulk in order to get better cost breaks. Furthermore, in order to better move any one item of merchandise inventory better and to keep track of inventory more easily, the incentive companies are encouraged to limit the number of items available. This also leads to stocking the same old merchandise over long time periods, which results in the Participants having the same boring choices over the years and becoming jaded after a certain degree of exposure to the incentive programs.

Other disadvantages are that the incentive company has to properly maintain warehouse conditions, such as temperature and humidity, to preserve the merchandise, as well as take precautions to prevent theft or fire. Accommodations to receive the goods, stack or arrange them, as well as record their location, their entry and departure, are also needed. Some incentive companies have also found it desirable to maintain a number of warehouses throughout the country for better distribution.

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Moreover, the warehousing system has problems associated with shipping merchandise by the incentive company to the Participant. These include merchandise being damaged in transit, not only causing frustration to the Participant, but necessitating the incentive company spending time and effort to package and ship merchandise once again to the Participant. The system entails the administrative procedures and additional cost of insuring the merchandise not only during warehousing, but during its shipment.

With the other kind of merchandise system, the incentive company does not have its own warehouses. Rather, it has contracts with suppliers or distributors of products to meet the obligations to Participants. With this type of system, there are the aforesaid problems of goods damaged during shipment leading to Participant aggravation.

Moreover, because the supplier or distributor is spaced from the Participant by an additional layer of communication, there can be further delay in shipment and mistakes caused by miscommunications. Shipment delay can result if the supplier or the distributor is understocked with the requested merchandise. With the supplier or distributor shipping the goods, there is a greater likelihood of there being a mistake in the exact goods that are to be shipped. It is furthermore necessary for the incentive company to maintain the additional relationship with the suppliers in order to properly effect a satisfactory program, which in this respect is a disadvantage as compared to the warehousing system.

With either the warehousing or the supplier merchandise system, the Participants frequently pay higher prices that the price of the same merchandise offered by a public retailer and especially by a discount store. This has the unsavory result of the Participants believing the dollar values assigned for the purchase points are inflated and illusory.

The incentive programs which award paid trips also have drawbacks. One problem is that there is usually only one vacation spot to select from if the goal is met. In some cases, Participants in one geographical area, such as in the eastern half of the U.S., are awarded a trip to a spot in Florida, for example, while those in the western half of the U.S. are awarded a vacation to a different spot such as Hawaii. However, each Participant is limited to choosing only one vacation spot. If the Participants have been to the same area previously, in many instances they have little or no interest in returning once again. They additionally may have no interest in the vacation spot for whatever reason which may include family limitations, pure lack of interest, or medical problems. There are also the inconveniences of travel arrangements and the psychological stress associated with traveling from a familiar environment to an unfamiliar one. These shortcomings all militate against motivating the Participant to achieve.

Finally, some incentive programs have awarded a flat payment of cash to the Participants for attaining a certain goal. This type of program has the disadvantage of the award not effectively bringing the sponsor's identity to the Participant's attention. Once the cash is paid, there is little to trigger the Participant's memory to recall the sponsor's identity.

In contrast, with either merchandise purchases or a vacation trip, the merchandise itself or the Participant's memory of the vacation stimulates recollection of the sponsor, thus reinforcing favorable thoughts toward the sponsor.

With incentive programs heretofore, the incentive companies have earned income from the sponsor client through general fees paid by the client to the incentive company.

Many of the problems associated with the incentive

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programs as described hereinabove have been solved by more recent prior art incentive award programs which utilize either a credit card or debit card which is issued to the Participant. For example, one such prior art process requires the issuance of a traditional credit card to each incentive program Participant. The Participant's cardholder account is assigned a credit limit which is based upon the Participant's past credit history. Earnings which are accumulated in the incentive award program are then used to "float" this credit limit up to the level of the Participant's assigned credit limit plus any available non-redeemed earnings. The Participant may then use the credit card to make purchases at any merchant honoring the credit card. These purchases will then downgrade the amount of available credit on the cardholder account. After settlement and posting of these purchase transactions into the cardholder's account, the incentive program's administrator may make a payment to the cardholder's account based upon charge amounts and any available program earnings. The Participant/cardholder is then responsible for any outstanding balances above the amount paid by the incentive program administrator. He may choose to pay this amount or allow the balance to revolve, thereby accruing interest charges until paid.

In the system as just described, points earned by the Participant in the incentive program are not converted to dollars until purchases are posted to the cardholder's account. At that time, any available points are converted to dollars and the incentive program administrator makes a payment to the credit card issuer (i.e. the bank that issues the credit card). Under such a scenario, the incentive program administrator retains the money earned through the incentive program until such time as the program Participant makes a purchase with his credit card. This system has the

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more complicated feature that the incentive program administrator must keep track of points earned through the incentive program and then convert these points to dollars only when and if the Participant makes a purchase with the credit card. There is a significant amount of administrative overhead with the point tracking and dollar conversion processes. Another complication of this system is that the participant's credit history must be reviewed in order to determine their credit line. Although this system still guarantees a credit card account for each participant (albeit with a low credit line for Participants with poor credit), some clients have an aversion to putting all of the participants through a credit review process.

A third prior art incentive award program uses either a debit card or a purchase card product. Such systems usually feature a limited use functionality, i.e. the card is limited to a very select group of retailers and/or service providers. The incentive program administrator or the sponsor underwrites the credit liability and as a result is issued the master cardholder's account. Upon earning awards in the incentive program, the Participant is then issued a sub-account of the master account. The spending limit is established as the Participant's available earnings in the program. The Participant may then use this limit to make purchases utilizing the card. These purchases will then downgrade the spending limit on the cardholders sub-account. The incentive program administrator will then make a payment to the master account based upon charge amounts from all sub-accounts in a cycle period after settlement and posting of the purchase transactions into the master account. There is a post-reconciliation process where the sub-account charges are then applied to downgrade the available earnings associated with each particular sub-account and to reestablish a sub-account spending limit

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based upon the remaining available earnings. Such a system exhibits the obvious drawback that the card is usable at a limited number of retailers and/or service providers. Furthermore, charges are made to the Participant's sub-accounts and are then credited at a later time by a payment from the incentive program administrator. Because each of the sub-accounts is underwritten by the sponsor's master account, the sponsor is exposed to credit liability for the charges made to the sub-accounts until such time as those charges have been covered by the incentive program administrator.

The unlimited use prior art debit cards have the disadvantage of requiring that a demand deposit account (DDA) be established for each Participant prior to card issuance. A credit card account must then be established for the Participant, with the credit card account number linked to the DDA account number. This system requires the Program Administrator to distribute award earnings by making deposits into the DDA for each Participant, either directly at the bank or through the Federal Reserve Automated Clearinghouse (ACH).

There is therefore a need for a system and method for administration of an incentive award program through the use of credit which does not require any up-front credit liability for either the Participant, the sponsoring company, or the incentive program administrator. Furthermore, there is a need for an incentive award program that does not require that the administrator track points earned through the incentive program and then convert those points to dollars in order to make payments to a card issuer as purchases are made by the program Participants. Furthermore, there is a need for an incentive award program that does not require a demand deposit account (DDA) to be linked to the credit card account. The present invention is directed toward meeting these needs.

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SUMMARY OF THE INVENTION

The present invention relates to a system and process to administer an incentive award program through the use of a zero-limit credit instrument. The present invention allows incentive program Participants to take advantage of any incentive program earnings as a pre-payment to their card accounts. There is therefore no up-front credit liability for either the Participant, or the incentive program administrator. The Participants in the incentive program are issued a credit card account with a zero credit limit. Upon the rewarding of earnings in the incentive program, a monetary payment is issued to the Participant's credit card account. While the account's credit limit remains at zero, purchases may be made by authorizing purchase transactions against an outstanding positive balance on the account. Such authorization then temporarily lowers the outstanding balance until settlement and posting of the purchase transaction into the Participant's account, which then permanently downgrades the outstanding balance. This purchase transaction is effectively paid for by the pre-paid positive balance created in the Participant's account by the incentive program administrator.

In one form of the invention, a method for administration of an incentive award program through the use of credit is disclosed, comprising the steps of a) providing electronic incentive award program enrollment forms to potential program participants via an Internet link; b) receiving completed electronic enrollment forms from actual program participants via said Internet link; c) causing a credit provider to issue a zero limit credit card account to each of said actual program participants, wherein said credit card account is not linked to a demand deposit account of said actual program participant; d) creating a first database containing participant credit card account

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information for all of said actual program participants; e) creating a second database containing participant performance data for all of said actual program participants; f) using computer data processing means to calculate an incentive award for each actual program participant based upon said participant performance data; and g) causing a credit balance of each of said credit card accounts to be increased in proportion to said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a schematic process flow chart for a preferred embodiment enrollment process of the present invention.

FIG. 2 is a schematic system dataflow diagram for a database population portion of the process of FIG. 1.

FIG. 3 is a schematic system dataflow diagram for an enrollment form processing portion of the process of FIG. 1.

FIG. 4 is a schematic process flow diagram for a preferred embodiment earnings issuance process of the present invention.

FIG. 5 is a schematic system dataflow diagram for the process of FIG. 4.

FIG. 6 is a schematic process flow diagram for a preferred embodiment account issuance process of the present invention.

FIG. 7 is a schematic system dataflow diagram for the process of FIG. 6.

FIG. 8 is a schematic process flow diagram for a preferred embodiment account payment process of the present invention.

FIG. 9 is a schematic system dataflow diagram for the process of FIG. 8.

FIG. 10 is a schematic process flow diagram for a preferred embodiment account reconciliation process of the present invention.

FIG. 11 is a schematic system dataflow diagram for the process of FIG. 10.

FIG. 12 is a schematic process flow diagram for a preferred embodiment account cancellation process of the present invention.

FIG. 13 is a schematic system dataflow diagram for the process of FIG. 12.

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DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

For the purposes of promoting an understanding of the principles of the invention, reference will now be made to the embodiment illustrated in the drawings and specific language will be used to describe the same. It will nevertheless be understood that no limitation of the scope of the invention is thereby intended, such alterations and further modifications in the illustrated device, and such further applications of the principles of the invention as illustrated therein being contemplated as would normally occur to one skilled in the art to which the invention relates.

The following specification details the system and processes used to administer an incentive award program according to the present invention. The following logical processes comprise a preferred embodiment of the present invention and will be discussed in detail hereinbelow:

Enrollment Process - the process of populating the computer database with the participation universe, the production of enrollment forms and the subsequent processing of the completed forms from the Participant to facilitate the issuance of the credit card.

Earnings Issuance Process - the system flow as Participant performance information is applied to the program database, award earnings are calculated for the Participant based upon this information, invoicing data is prepared and delivered to the sponsoring Client and card payment information is produced to prepare for remittance to the Bank.

Account Issuance Process - the process associated with establishing an account, issuing a credit card, and the activation of the account for Participants. This occurs at the point when the Participant is awarded earnings in the incentive program for the first time.

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Account Payment Process - the process of applying payment to cardholder accounts and the remittance of payment to the issuing Bank.

Account Reconciliation Process - the post payment reconciliation and maintenance of accounts between those on the Bank Processor files and those on the incentive card program database.

Account Cancellation Process - the process involved in the cancellation of the Participant's card account and the subsequent crediting back to the Program Administrator Client for any unredeemed program earnings.

In the flowcharts of FIG. 1-13, each box contains a heading denoting the functional group responsible for that sub-process. The functional group pertains to both the systems and resources responsible for carrying out that activity in the process box. The following is a brief description of the functions that are referenced throughout the remainder of this document:

Accounting - the incentive agency accounting department and their automated systems.

Administration - the incentive agency automated systems and resources responsible for incentive program enrollment, performance tracking and feedback reporting.

Bank - the Bank responsible for the traditional Bank operations involved with credit instruments (i.e.: card issuance, customer service, etc.).

Client - the sponsoring company who has acquired the services of the incentive agency to administer their incentive program.

Incentive Card Admin. - the systems and resources responsible for the activity associated with driving the unique interfaces between the functional areas.

Participant - the individual that participated in the incentive program by enrolling, receiving awards earnings and utilizing the credit card for redemption of these earnings

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A. Enrollment Process

A flowchart of the enrollment process is illustrated in FIG. 1. This process begins at 10 by populating the incentive program database with Participant information by the Administration group. This Participant information is provided by the Client via magnetic media, hard copy data or in any other convenient format. If hard copy data is provided, this data is key entered via an on-line computer application. If the source is magnetic media (or other machine readable media), it is applied to the file via a batch computer program. The Participant information may be names, addresses and/or social security numbers of prospective Participants, or it may be some other criteria identifying eligibility to participate in the program (i.e. employer name, address and the unique identifying number). A prepared mailing list may also be used as the input feed to populate the database. Such a mailing list is used to send enrollment forms to a target audience when the Client does not have a specific list of desired Participants for the incentive award program.

Once the database has been populated (assuming Participant information is provided by the Client), the Administration group will prepare enrollment forms at 12 and forward them at 14 to the Participant universe as defined by the information that is on the program database. The enrollment forms may be hard copy paper forms or electronic forms that may be accessed through Internet connectivity. In the latter case, the Participant universe will be informed of the Internet address to access this form through either traditional mail or electronic mail. As an alternative, both hard copy and electronic forms may be made available to the Participant universe.

Upon receipt of the enrollment form, the Participant will complete and forward the form at step 16 to the

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Incentive Card Administration group. With the hard copy form, this is done via mail or facsimile transmission. With the electronic form, the information is transmitted via the Internet to a queuing file for application to the incentive card database. The Incentive Card Administration group will then process the completed enrollment form at 18 in order to apply the information to add or update the Participant information on the incentive card database. If the completed form was received via mail or facsimile, this editing and updating of information is performed via an on-line computer application. If the information was received through electronic transmission, a batch computer program application is utilized to accomplish this task.

In certain situations, it may be possible to skip the enrollment process by using an auto-enrollment plan. This is possible when the Client already has a highly accurate database of Participant data (e.g. the Participants are employees of the Client, the Participants are all members of a frequent flyer program, etc.). In such situations, no enrollment forms are necessary to gather Participant data, and a card is automatically issued to each Participant when he or she first earns an incentive award.

Next, the Incentive Card Administration group will create welcome letters at 20 for the newly enrolled Participants, notifying them that receipt and processing of their enrollment is complete. This letter is personalized using a computer application program. The letter is then forwarded to the Participant at 22.

The system dataflow diagrams for the enrollment process of FIG. 1 are illustrated in FIGS. 2 and 3. A Participant database file 24 is received from the Client and is applied at 26 to the incentive card database files 28. The incentive card database files 28 are used to produce physical enrollment forms at 30-32 which are then forwarded to each Participant at 34 along with appropriate program

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literature. For potential Participants which will be contacted through the Internet, Participant information is loaded to an Internet access file at 36 from the incentive card database files 28. This information is then transferred to the Internet access database 38.

FIG. 3 illustrates the system dataflows once information has been returned by the Participants. For completed enrollment certificates received from the Participants via mail or facsimile transmission at 40, the enrollment certificates are reviewed and assembled into batches at 42. The batched enrollment forms are queued at 44 for on-line entry/editing of the enrollment forms at 46. The information entered and edited at 46 is applied to the incentive card database files 28. Batch control listings and batch totals are also produced at 48 and are forwarded for review, proof and correction of information at 50. Proofed and corrected information is transmitted from 50 to 46 for entry into the incentive card database files 28.

In parallel to the processing of the physical enrollment certificates, Participant enrollment information which is entered into the Internet at 52 is retrieved from the Internet access database 38 and applied to the incentive card database files 28 at 54. Control listings and totals for the enrollment certificates received from the Internet are assembled at 56 and submitted for review, proof and correction of the information at 50.

Once the Participant enrollment information has been assembled from hard copy and electronic enrollment certificates and applied to the incentive card database files 28, the Participant welcome letters are produced at 58-60 and forwarded to each Participant at 62. Batch proof listings and control totals are produced at 64-66 from the incentive card database files 28 and forwarded for review, proof and correction of the information at 50.

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B. Earnings Issuance Process

For each cycle period (e.g. monthly), the performance of each Participant is compared to the performance criteria established by the Client in order to determine the program award earnings which have been earned by the Participant. For example, the performance criteria may simply be the purchase of products from the Client. In such a scenario, the Participant may be credited with a rebate based upon the total amount of purchases from the Client (e.g. 2% of the total amount purchased during the cycle period). The earnings issuance process of the present invention reviews Participant performance information and calculates the award earnings which are to be credited to the Participant's account based upon this information. This process prepares invoicing data for delivery to the sponsoring Client and card payment information for remittance to the Bank.

Referring to FIG. 4, the Administration group applies Participant performance data to the program database at 68 for the current cycle period. This performance data may be provided by the Client and/or the Participant. The performance data may take the form of machine readable media (e.g. magnetic media) or hard copy. If hard copy data is provided, the data is key entered and edited via an on-line computer application. If the source data is machine readable, it is edited and applied to the file via a batch computer program. Using this Participant performance data, the Administration group executes a computer software application at 70 in order to calculate and update program award earnings on the Participant's database records.

As the program award earnings are calculated at 70, a computer application module is applied at 72 in order to perform the Earnings Issuance function. This computer application module performs several functions. The module calculates and updates the incentive card earnings fields in

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the database for each Participant. It also calculates invoicing information based upon current period awards earnings issued less any credits as a result of cancelled card adjustments (see Section F hereinbelow). Additionally, the module calculates and updates payment amounts for each Participant's account based upon the new earnings amount (these earnings are disbursed as documented in Section D hereinbelow). The application module also produces control reporting at 74 for verification and balancing for subsequent processes (i.e. the account issuance and account payment processes).

After the earnings award amount is calculated for each Participant, the process for crediting this amount to the Participant's account is begun. A payment transaction is electronically passed into the accounting system database at 76 in order to establish an accounts payable entry. Additionally, the module will forward a payment request and detailed report to the Accounting department at 78 for documentation purposes. The report will display the accounts payable transaction as well as the Participant details upon which the transaction is based.

The award earnings credited to each Participant are payable by the Client. Therefore, an issuance invoicing data transaction is electronically passed into the Accounting system database at 80 in order to establish an accounts receivable transaction in the system. A report of all issuance invoicing is forwarded to the Accounting department at 82 for documentation purposes. The report displays the accounts receivable transaction as well as the individual Participant details upon which the transaction is based. In addition, a computer generated invoice is produced at 82 and this document is forwarded to the Accounting department. Upon review of the invoice and supporting documentation, the Accounting department forwards

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the invoice to the Client at 84. The Client reviews the invoice and remits payment via an electronic wire transfer of funds at 86. Upon confirmation of the transaction, the Accounting group will perform an on-line update to the accounts receivable database at 88 in order to update the entry as paid.

The system dataflow diagram for the Earnings Issuance process of FIG. 4 is illustrated in FIG. 5. The Participant performance data 90 for the cycle period is applied at 92 to the incentive card database files 28. A Participant performance proof listing is also generated at 94. The Participant performance data within the incentive card database files 28 is utilized in order to perform the Client program specific award calculation at 96. This calculation is used to produce the Client program specific award calculation proof listing at 98, which is balanced against the Participant performance proof listing 94 at 100. The award calculation generated at 96 is used by the incentive card point invoicing submodule 102 in order to initiate payment to the Participant's account and invoicing to the Client. The invoicing submodule 102 provides the award amount for each Participant to the Accounting receivable and payable database files 104. The invoicing submodule 102 additionally creates an incentive card point calculation proof listing and control totals 106 which are balanced against the Client program specific award calculation proof listing 98 at 108. The award calculation data from the invoicing submodule 102 is additionally used to create the incentive card point issuance invoice and details 110 which are forwarded at 112 for submission to the Client. This data summarizes the award that has been paid to the Participant by the Incentive Card Administration and requests payment from the Client for this amount. This information is additionally reflected in the incentive card

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card issuance control report 114. Finally, the invoicing submodule 102 produces the incentive card payment proof listing and control totals 116 which are forwarded to the Accounting group at 118.

C. Account Issuance Process

The Account Issuance process flow chart is illustrated in FIG. 6. This process flow is entered from the control reporting production step 74 of FIG. 4. Upon completion of the Earnings Issuance process of FIG. 4, the Incentive Card Administration group executes a computer application at 120 that will process the database and select those Participants that have been issued earnings for the first time. Step 120 assigns an account number, updates the Participant database record and produces a new account transaction record. Upon completion of this application, a second computer application electronically transmits the new account transaction file to the Bank. The new account transaction file is then applied at 122 to the cardholder account database via a batch computer application in order to establish a cardholder account for the Participant. This account will be established with an inactive status. The Bank then executes a computer application at 124 which processes the newly added cardholder account records and produces embossed credit cards for each of these accounts. The cards are then forwarded to the Participants along with the appropriate card usage literature (i.e. instructions on use of the card, etc). The Participant receives the card and literature via mail at 126. At this point, the Participant activates the account by performing a telephone call into a computer programmed intelligent voice response unit at 128. This system will prompt the caller to enter identifying information using the touchtone pad on the telephone. The system will then process this input by

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verifying it against information on the cardholder account database record and update the record to activate the account.

The system dataflow for the Account Issuance process of FIG. 6 is illustrated in FIG. 7. The incentive card database files 28 are accessed at 130 in order to identify new Participants. An account number is assigned at 130, and an application transaction file is also created. This information is applied to the application transaction file 132 and is also use to generate a proof listing, control totals and control panels at 134. The application transaction information 134 is reviewed, verified and balanced at 136 with the incentive card card issuance control report 114 from FIG. 5. The control totals and control panel are forwarded to the Bank at 138. The information from the application transaction file 132 is transmitted to the Bank processor at 140 and transmission control totals are generated at 142. These control totals are reviewed at 144 in order to assure successful transmission to the Bank by comparing them to the control totals 138 at 146.

D. Account Payment Process

The Account Payment process is illustrated in FIG. 8. Upon receipt of the payment request from the Incentive Card Administration Group (78 in FIG. 4), the Accounting department remits payment to the Bank via electronic wire transfer of funds at 148. The Bank receives these funds at 150 and confirms receipt of payment. Concurrently, the Incentive Card Administration group processes a computer application to access the database at 152, create monetary transaction records, and update the Participant's database records with the current cycle payment amounts. The monetary transaction file is then electronically transferred to the Bank processor at 154. Upon receipt of this file,

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the Bank processor executes a computer application to apply the monetary transactions to the cardholder database and to update the outstanding balances of the Participant's accounts at 156. The Bank processor then performs the normal account cycle processing at 158. This is a series of computer applications, the outputs of which include the cardholder account statements which are then forwarded to the Participants at 160 and received by the Participants at 162. Once the monetary deposit has been made to the Participant's cardholder account, a positive credit balance is created in the Participant's account, and the Participant may use the card at 164 in order to make purchase transactions. These transactions will then be applied to the Participant's account at 166 and will downgrade the account's outstanding credit balance. These purchase transactions will appear on the subsequent cycle account statement. The final step in the Account Payment process of FIG. 8 is the creation of the account balance and status file by the Bank processor at 168. This file is electronically transmitted to the Incentive Card Administration group for input into the Account Reconciliation process (see FIG. 10).

The system dataflow diagram for the account payment process of FIG. 8 is illustrated in FIG. 9. The incentive card database files 28 are accessed at 170 in order to create the monetary transaction files 172. A monetary transactions detail listing and control totals 174 is also produced and is balanced against the incentive card payment proof listing and control totals 116 from FIG. 5 at 176. The control totals and samples are forwarded to the Bank at 178 along with a wire transfer of funds at 180. The application transaction file is transmitted to the Bank processor at 182 and the control totals are transmitted at 184. These are reviewed to assure that a successful

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transmission has been completed at 186, and the control totals and wire transfer funds are reviewed at 188 in order to assure correct application of funds to each of the Participant's accounts.

E. Account Reconciliation Process

The Account Reconciliation process is illustrated at FIG. 10. The Incentive Card Administration group receives the account balance and status file via electronic transmission (step 168, FIG. 8) at 190 and processes a computer application to apply the transaction records to the incentive card system database at 192. The status of the Participant database record is updated at 194 for those accounts that the input file denotes as closed and the card has been retracted. The replacement account number is updated at 196 on the incentive card database record for Participants who have had their account numbers replaced as a result of a lost/stolen card. Monetary adjustment transactions are produced at 198 for those accounts in which a payment should have been made for the cycle just completed, but which do not reflect the payment being made on the Bank processor system. This transaction file is then transmitted to the Bank processor to apply the cardholder account in order to get the account back in sync with the incentive card file at 200. Additionally, a correction letter is computer generated at 202 and is forwarded to the Participant at 204 in order to advise him of the true status of his cardholder account.

The system dataflow diagram for the Account Reconciliation process of FIG. 10 is illustrated at FIG. 11. The account balance and status file is received from the Bank processor at 206 and applied to the account balance and status file 208. Transmission and control totals are generated at 212 and are reviewed at 214 in order to assure

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successful transmission of the data. The account balance and status file 208 is compared with information from the incentive card database files 28 at 210 in order to perform account reconciliation and balancing. Any necessary monetary adjustment transactions are generated at 216 and transmitted to the Bank processor at 218. Transmission control totals for this transmission are created at 220 and reviewed at 222 in order to assure successful transmission of the information. A proof listing, control totals and error report is generated at 223 and reviewed at 224, where the Incentive Card Administration group coordinates with the Bank on any identified errors. The correction letters are produced at 226 and forwarded to Participants at 228.

F. Account Cancellation Process

The Account Cancellation process is illustrated in FIG. 12. Incentive card Participant cancellations are received as input via written requests from the Client or the Participant at 230. Upon receipt of the request, the Incentive Card Administration group updates the Participant record on the program database with a cancelled enrollment status via an on-line computer application at 222. The Incentive Card Administration group then processes a computer application that will process all new cancelled Participant records. This application will adjust available earnings to zero and move this negative adjustment to a current period and program date on the Participant database record at 234. This information is used as input to the Earnings Issuance process of FIG. 4 in order to credit the Client during preparation of the issuance invoicing. Additionally, the Incentive Card Administration group processes a computer application to generate a cardholder account cancellation transaction record at 236 which is electronically transmitted to the Bank processor. The Bank processor applies such transactions via a batch computer

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application. This application updates the cardholder account database record at 238 with a cancelled status. The Incentive Card Administration group receives confirmation of the account cancellations during the account reconciliation process of FIG. 10.

The system dataflow diagram for the account cancellation process of FIG. 12 is illustrated in FIG. 13. Requests for account cancellations are received at 240 and reviewed at 242. The Participant's status is updated on-line at 244 and the Participant's incentive card points are transferred to 46. The incentive card database files 28 are updated to reflect this information. A transfer audit report 248 is printed at 250 and filed at 252. A card cancellation transaction file 256 is created at 254. The cancellation transaction file is transmitted to the Bank processor at 258. Transmission control totals are generated at 260 and reviewed at 262 in order to assure successful transmission. A cancelled card audit listing is produced at 264 and the Incentive Card Administration group coordinates with the Bank in order to communicate cardholder cancellations at 266.

While the invention has been illustrated and described in detail in the drawings and foregoing description, the same is to be considered as illustrative and not restrictive in character, it being understood that only the preferred embodiment has been shown and described and that all changes and modifications that come within the spirit of the invention are desired to be protected.

What is claimed is:

1. A method for administration of an incentive award program through the use of credit, comprising the steps of:

a) providing electronic incentive award program enrollment forms to potential program participants via an Internet link;

b) receiving completed electronic enrollment forms from actual program participants via said Internet link;

c) causing a credit provider to issue a zero limit credit card account to each of said actual program participants, wherein said credit card account is not linked to a demand deposit account of said actual program participant;

d) creating a first database containing participant credit card account information for all of said actual program participants;

e) creating a second database containing participant performance data for all of said actual program participants;

f) using computer data processing means to calculate an incentive award for each actual program participant based upon said participant performance data; and

g) causing a credit balance of each of said credit card accounts to be increased in proportion to said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

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AMENDED CLAIMS

[received by the International Bureau on 12 January 1998 (12.01.98); new claims 2-58 added; remaining claim unchanged (14 pages)]

1. A method for administration of an incentive award program through the use of credit, comprising the steps of:

a) providing electronic incentive award program enrollment forms to potential program participants via an Internet link;

b) receiving completed electronic enrollment forms from actual program participants via said Internet link;

c) causing a credit provider to issue a zero limit credit card account to each of said actual program participants, wherein said credit card account is not linked to a demand deposit account of said actual program participant;

d) creating a first database containing participant credit card account information for all of said actual program participants;

e) creating a second database containing participant performance data for all of said actual program participants;

f) using computer data processing means to calculate an incentive award for each actual program participant based upon said participant performance data; and

g) causing a credit balance of each of said credit card accounts to be increased in proportion to said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

2. The method of claim 1, wherein said participant performance data for each of said actual program participants is proportional to usage of said credit card account by each of said actual program participants.

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3. The method of claim 1, wherein step (c) is not dependent upon a creditworthiness of said actual program participants.

4. The method of claim 1, wherein said incentive award is calculated in step (f) as a monetary value.

5. The method of claim 1, wherein said increase in said credit balance of step (g) is equal to said calculated incentive award.

6. A method for administration of an incentive award program through the use of credit, comprising the steps of:

a) identifying a program participant;

b) issuing a zero limit credit card account to said program participant, wherein said credit card account is not linked to a demand deposit account of said program participant;

c) creating a database containing participant performance data for said program participant;

d) using computer data processing means to calculate an incentive award for said program participant based upon said participant performance data; and

e) causing a credit balance of said credit card account to be increased in proportion to said calculated incentive award, wherein purchases may be made against said credit balance.

7. The method of claim 6, wherein said participant performance data is proportional to usage of said credit card account by said program participant.

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8. The method of claim 6, wherein step (b) is not dependent upon a creditworthiness of said program participant.

9. The method of claim 6, wherein said incentive award is calculated in step (d) as a monetary value.

10. The method of claim 6, wherein said increase in said credit balance of step (e) is equal to said calculated incentive award.

11. A method for administration of an incentive award program for a program participant through the use of credit, comprising the steps of:

a) issuing a zero limit credit card account to said program participant, wherein said credit card account is not linked to a demand deposit account;

b) determining an incentive award for said program participant; and

c) causing a credit balance of said credit card account to be increased in proportion to said incentive award, wherein purchases may be made against said credit balance.

12. The method of claim 11, wherein step (b) further comprises:

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b.1) determining participant performance data for said program participant; and

b.2) using computer data processing means to calculate an incentive award for said program participant based upon said participant performance data.

13. The method of claim 12, wherein said participant performance data is proportional to usage of said credit card account by said program participant.

14. The method of claim 11, wherein step (a) is not dependent upon a creditworthiness of said program participant.

15. The method of claim 11, wherein said incentive award is determined in step (b) as a monetary value.

16. The method of claim 11, wherein said increase in said credit balance of said step (c) is equal to said incentive award.

17. A method for administration of an incentive award program through the use of credit, comprising the steps of:

a) providing electronic incentive award program enrollment forms to potential program participants via an Internet link;

b) receiving completed electronic enrollment forms from actual program participants via said Internet link;

c) causing a credit provider to issue a zero limit credit card account to each of said actual program participants, wherein said credit card account is not linked

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to a demand deposit account of said actual program participant;

d) creating a first database containing participant credit card account information for all of said actual program participants;

e) creating a second database containing participant performance data for all of said actual program participants;

f) using computer data processing means to calculate an incentive award for each actual program participant based upon said participant performance data; and

g) causing a credit balance of each of said credit card accounts to be increased based upon said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

18. The method of claim 17, wherein said participant performance data for each of said actual program participants is based upon usage of said credit card account by each of said actual program participants.

19. The method of claim 17, wherein step (c) is not dependent upon a creditworthiness of said actual program participants.

20. The method of claim 17, wherein said incentive award is calculated in step (f) as a monetary value.

21. The method of claim 17, wherein said increase in said credit balance of step (g) is equal to said calculated incentive award.

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22. A method for administration of an incentive award program through the use of credit, comprising the steps of:

a) identifying a program participant;

b) issuing a zero limit credit card account to said program participant, wherein said credit card account is not linked to a demand deposit account of said program participant;

c) creating a database containing participant performance data for said program participant;

d) using computer data processing means to calculate an incentive award for said program participant based upon said participant performance data; and

e) causing a credit balance of said credit card account to be increased based upon said calculated incentive award, wherein purchases may be made against said credit balance.

23. The method of claim 22, wherein said participant performance data is based upon usage of said credit card account by said program participant.

24. The method of claim 22, wherein step (b) is not dependent upon a creditworthiness of said program participant.

25. The method of claim 22, wherein said incentive award is calculated in step (d) as a monetary value.

26. The method of claim 22, wherein said increase in said credit balance of step (e) is equal to said calculated incentive award.

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27. A method for administration of an incentive award program for a program participant through the use of credit, comprising the steps of:

a) issuing a zero limit credit card account to said program participant, wherein said credit card account is not linked to a demand deposit account;

b) determining an incentive award for said program participant; and

c) causing a credit balance of said credit card account to be increased based upon said incentive award, wherein purchases may be made against said credit balance.

28. The method of claim 27, wherein step (b) further comprises:

b.1) determining participant performance data for said program participant; and

b.2) using computer data processing means to calculate an incentive award for said program participant based upon said participant performance data.

29. The method of claim 28, wherein said participant performance data is based upon usage of said credit card account by said program participant.

30. The method of claim 27, wherein step (a) is not dependent upon a creditworthiness of said program participant.

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31. The method of claim 27, wherein said incentive award is determined in step (b) as a monetary value.

32. The method of claim 27, wherein said increase in said credit balance of said step (c) is equal to said incentive award.

33. A system for administration of an incentive award program through the use of credit, comprising:

computer communication means for providing electronic incentive award program enrollment forms to potential program participants via an Internet link and receiving completed electronic enrollment forms from actual program participants via said Internet link;

credit cards for said actual program participants, wherein each of said credit cards enables access to a respective zero limit credit card account, wherein said credit card account is not linked to a demand deposit account of said actual program participant;

computer memory means for storing participant credit card account information for all of said actual program participants and for storing participant performance data for all of said actual program participants; and

computer data processing means for calculating an incentive award for each actual program participant in proportion to said participant performance data and for causing a credit balance of each of said credit card accounts to be increased in proportion to said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

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34. The system of claim 33, wherein said participant performance data for each of said actual program participants is proportional to usage of said credit card account by each of said actual program participants.

35. The system of claim 33, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

36. The system of claim 33, wherein said increase in said credit balance is equal to said calculated incentive award.

37. A system for administration of an incentive award program for a program participant through the use of credit, comprising:

a credit card for said program participant, wherein said credit card enables access to a zero limit credit card account, wherein said credit card account is not linked to a demand deposit account of said program participant;

computer memory means for storing participant performance data for said program participant; and

computer data processing means for calculating an incentive award for each actual program participant in proportion to said participant performance data and for causing a credit balance of each of said credit card accounts to be increased based upon said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

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38. The system of claim 37, wherein said participant performance data for each of said actual program participants is proportional to usage of said credit card account by each of said actual program participants.

39. The system of claim 37, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

40. The system of claim 37, wherein said increase in said credit balance is equal to said calculated incentive award.

41. A system for administration of an incentive award program for a program participant through the use of credit, comprising:

a credit card for said program participant, wherein said credit card enables access to a zero limit credit card account, wherein said credit card account is not linked to a demand deposit account of said program participant; and

computer data processing means for determining an incentive award for said program participant and for causing a credit balance of said credit card account to be increased in proportion to said incentive award, wherein purchases may be made against said credit balance.

42. The system of claim 41, further comprising:

computer memory means for storing participant

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performance data for said program participant; and

computer data processing means for calculating said incentive award for said program participant based upon said participant performance data.

43. The system of claim 42, wherein said participant performance data is proportional to usage of said credit card account by said program participant.

44. The system of claim 41, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

45. The system of claim 41, wherein said increase in said credit balance is equal to said calculated incentive award.

46. A system for administration of an incentive award program through the use of credit, comprising:

computer communication means for providing electronic incentive award program enrollment forms to potential program participants via an Internet link and receiving completed electronic enrollment forms from actual program participants via said Internet link;

credit cards for said actual program participants, wherein each of said credit cards enables access to a respective zero limit credit card account, wherein said credit card account is not linked to a demand deposit account of said actual program participant;

computer memory means for storing participant credit card account information for all of said actual program

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participants and for storing participant performance data for all of said actual program participants; and

computer data processing means for calculating an incentive award for each actual program participant based upon said participant performance data and for causing a credit balance of each of said credit card accounts to be increased based upon said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

47. The system of claim 46, wherein said participant performance data for each of said actual program participants is based upon usage of said credit card account by each of said actual program participants.

48. The system of claim 46, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

49. The system of claim 46, wherein said increase in said credit balance is equal to said calculated incentive award.

50. A system for administration of an incentive award program for a program participant through the use of credit, comprising:

a credit card for said program participant, wherein said credit card enables access to a zero limit credit card account, wherein said credit card account is not linked to a

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demand deposit account of said program participant;

computer memory means for storing participant performance data for said program participant; and

computer data processing means for calculating an incentive award for each actual program participant in proportion to said participant performance data and for causing a credit balance of each of said credit card accounts to be increased based upon said calculated incentive award for each actual program participant, wherein purchases may be made against said credit balance.

51. The system of claim 50, wherein said participant performance data for each of said actual program participants is based upon usage of said credit card account by each of said actual program participants.

52. The system of claim 50, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

53. The system of claim 50, wherein said increase in said credit balance is equal to said calculated incentive award.

54. A system for administration of an incentive award program for a program participant through the use of credit, comprising:

a credit card for said program participant, wherein said credit card enables access to a zero limit credit card account, wherein said credit card account is not linked to a

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demand deposit account of said program participant; and

computer data processing means for determining an incentive award for said program participant and for causing a credit balance of said credit card account to be increased based upon said incentive award, wherein purchases may be made against said credit balance.

55. The system of claim 54, further comprising:

computer memory means for storing participant performance data for said program participant; and

computer data processing means for calculating said incentive award for said program participant based upon said participant performance data.

56. The system of claim 54, wherein said participant performance data is based upon usage of said credit card account by said program participant.

57. The system of claim 54, wherein said computer data processing means comprises means for calculating said incentive award as a monetary value.

58. The system of claim 54, wherein said increase in said credit balance is equal to said calculated incentive award.

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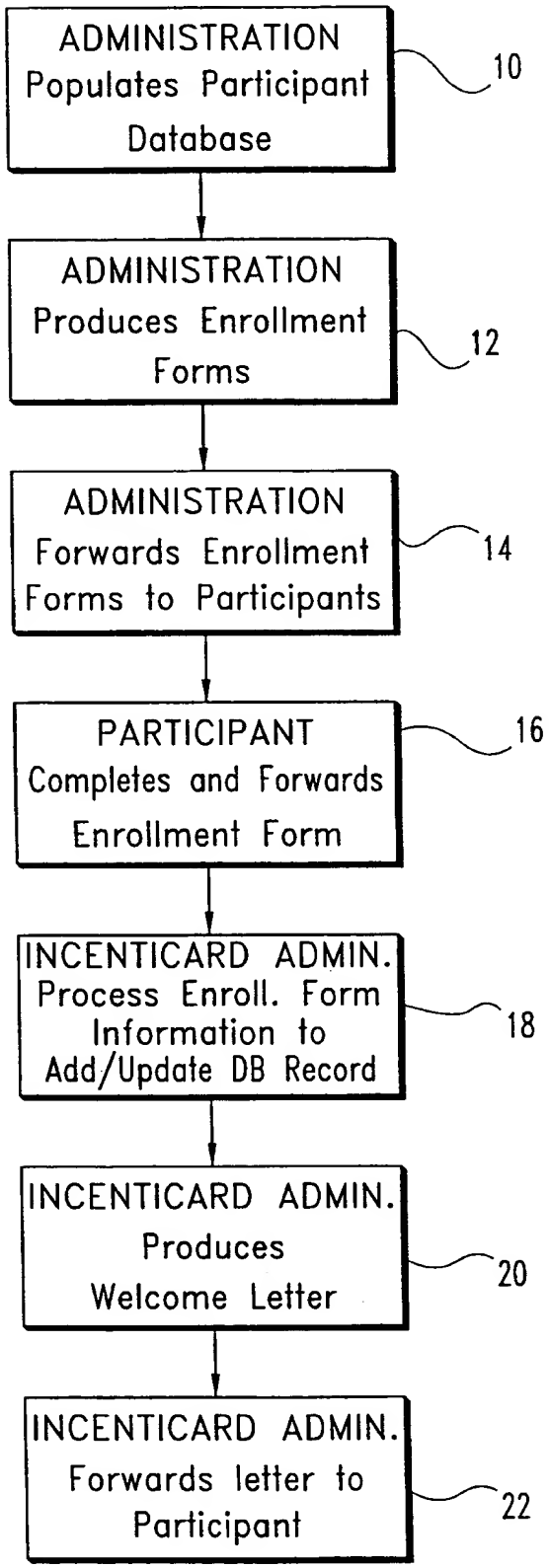

Fig 1

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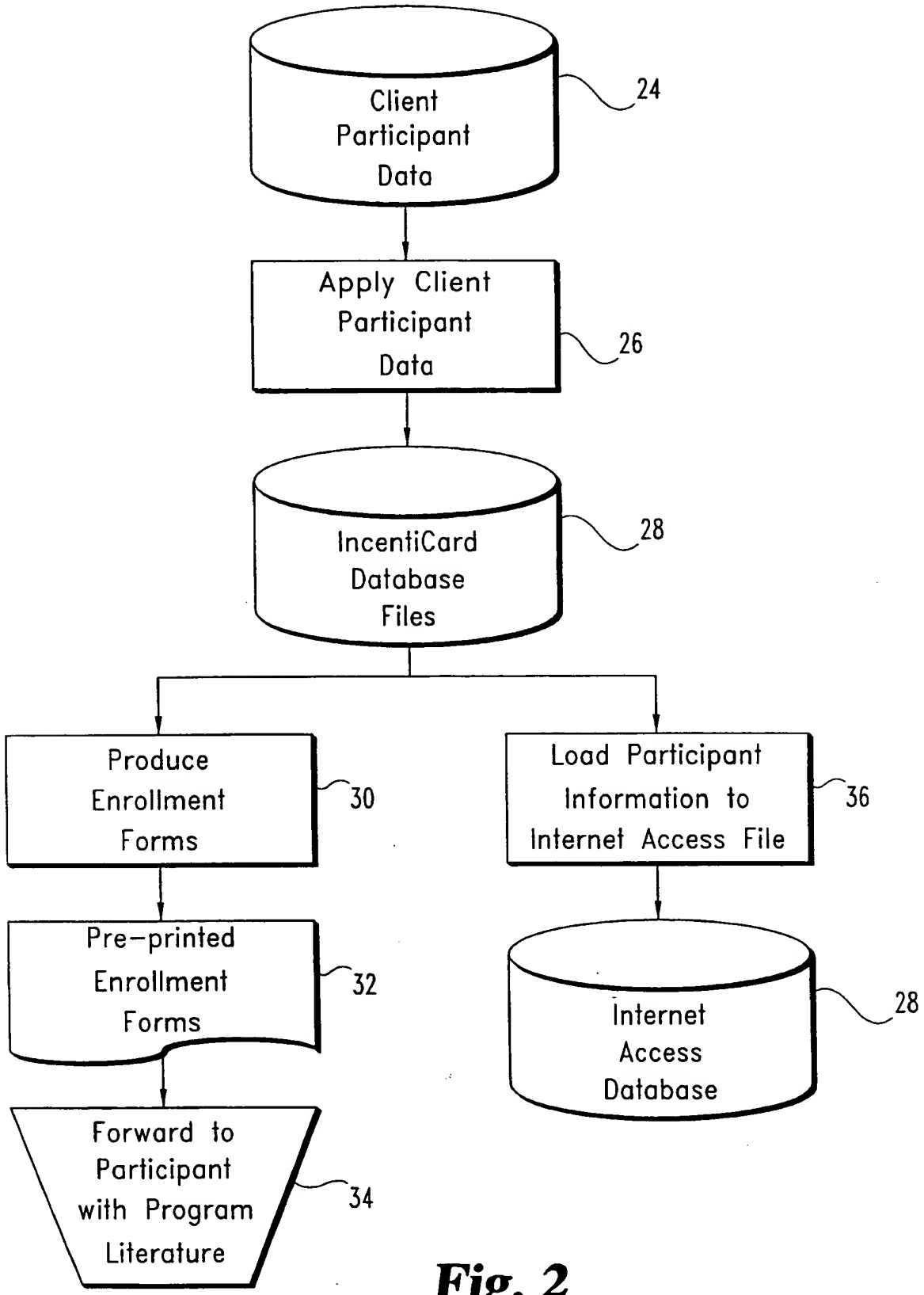

Fig. 2

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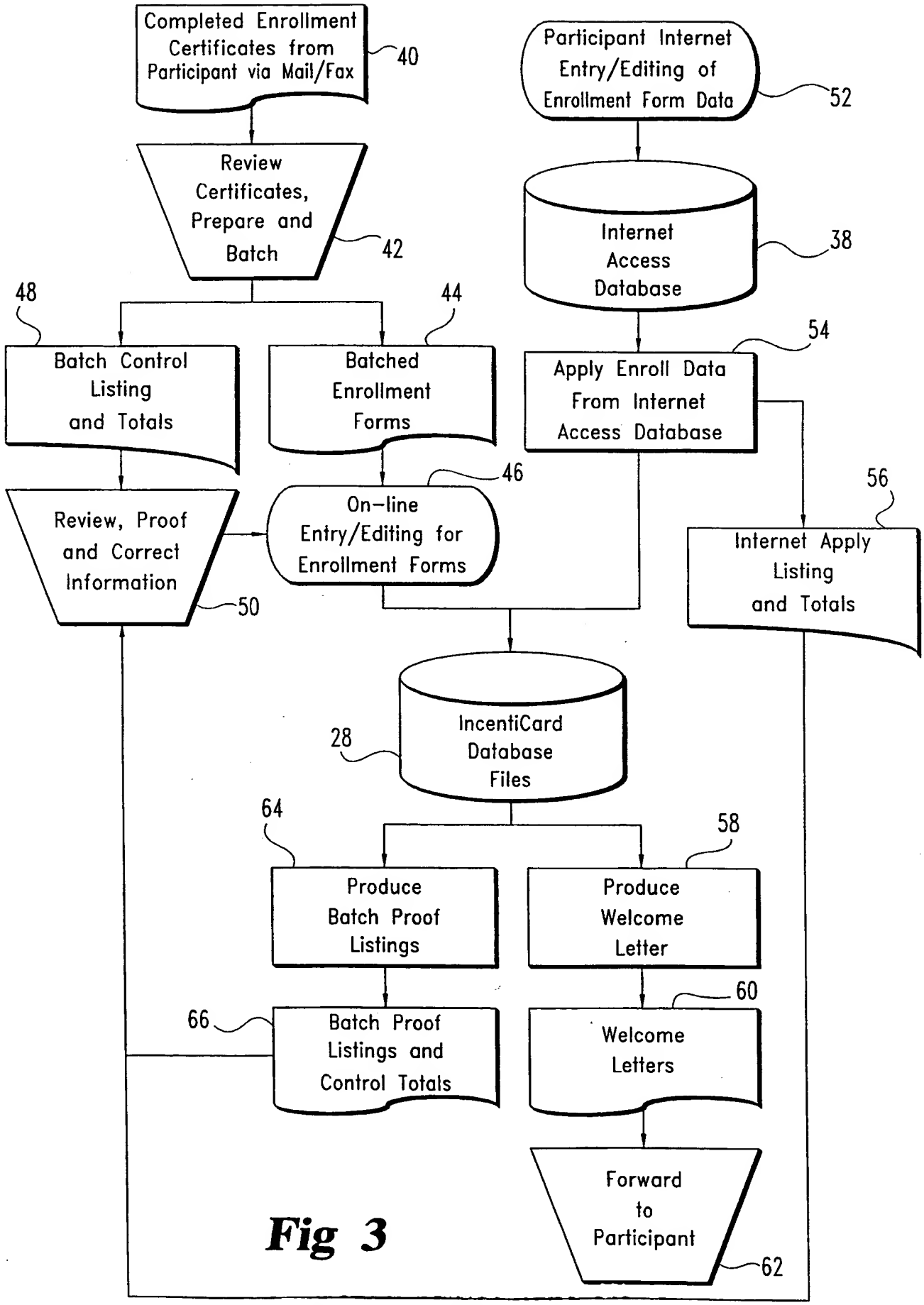

Fig 3

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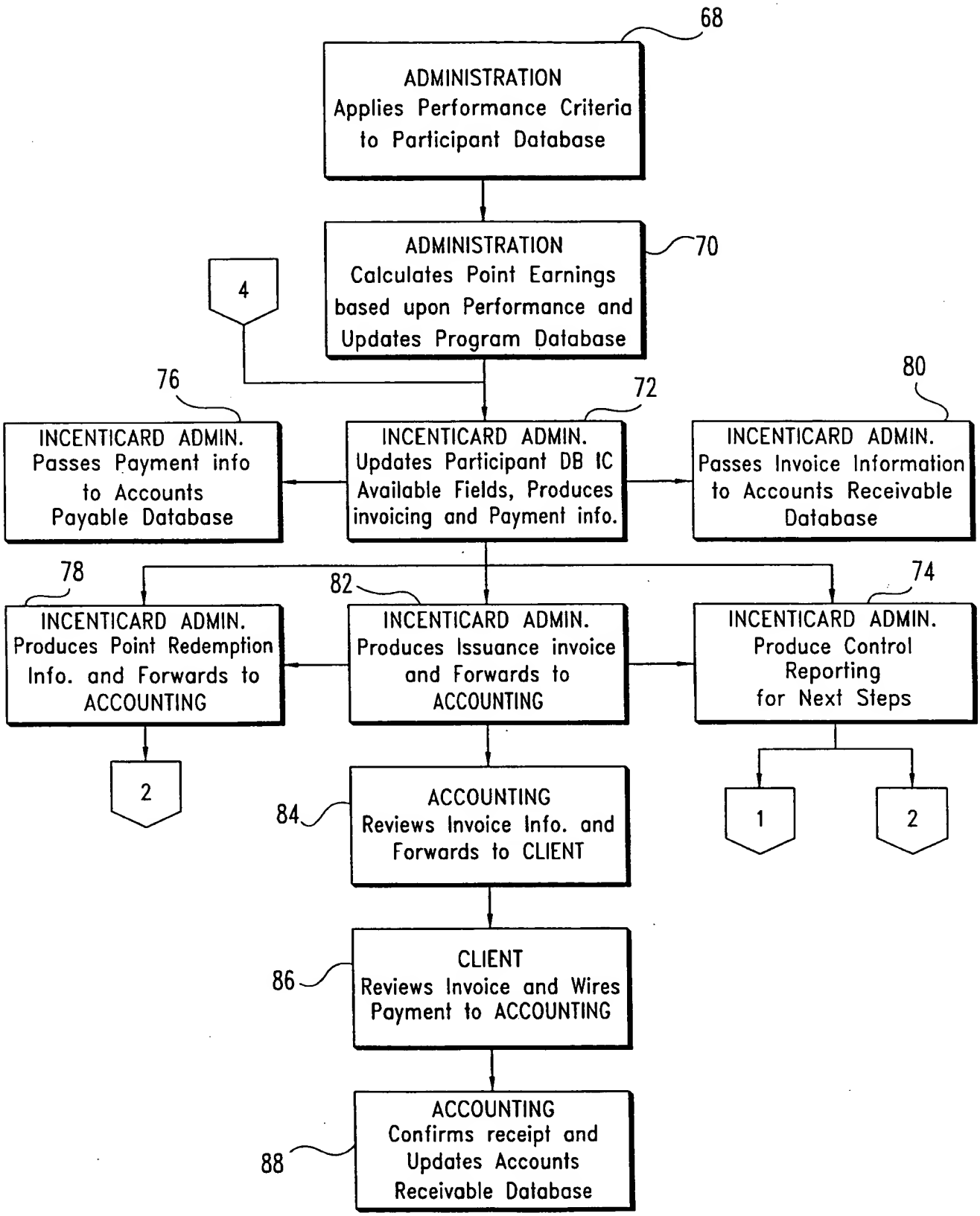

Fig. 4

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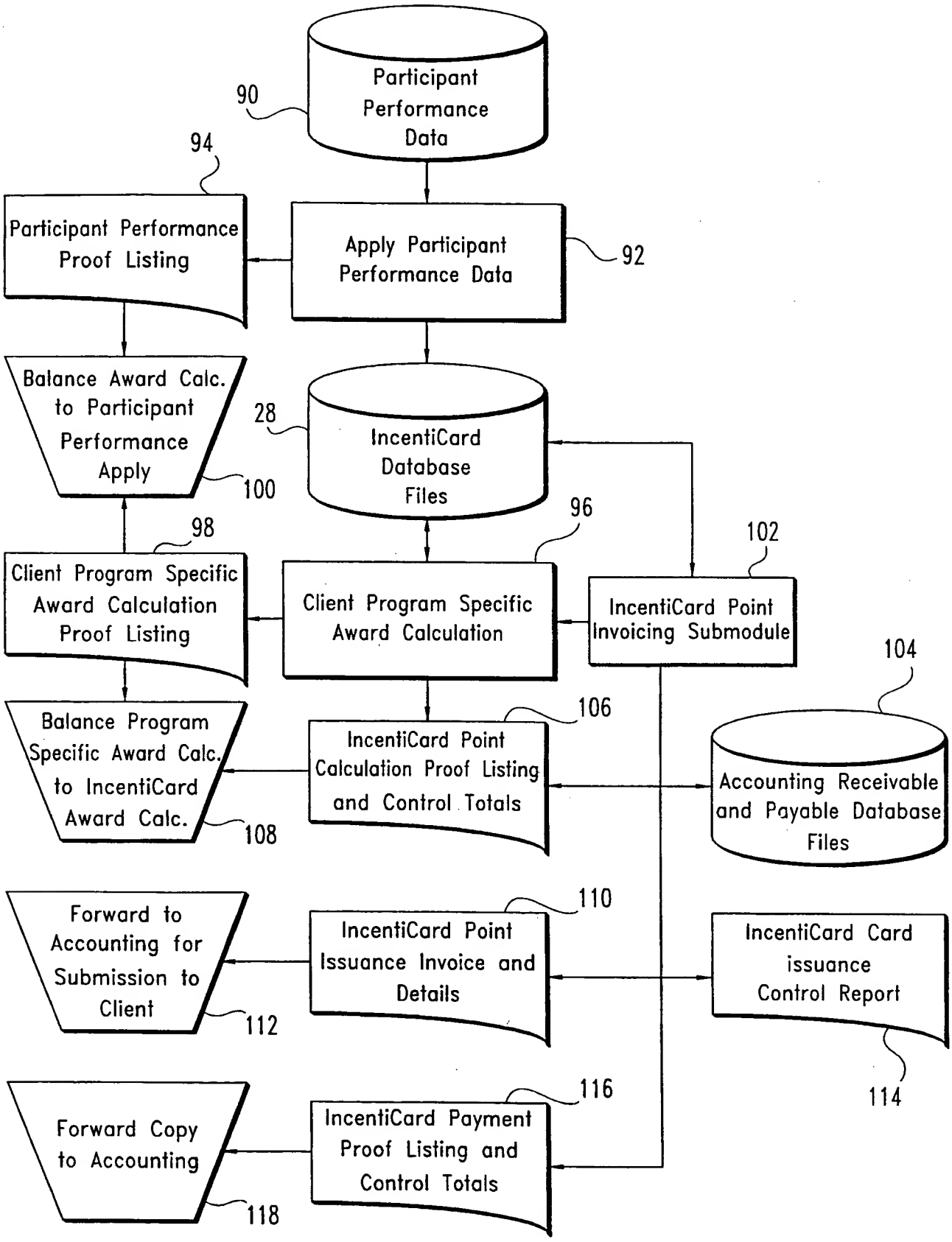

Fig. 5

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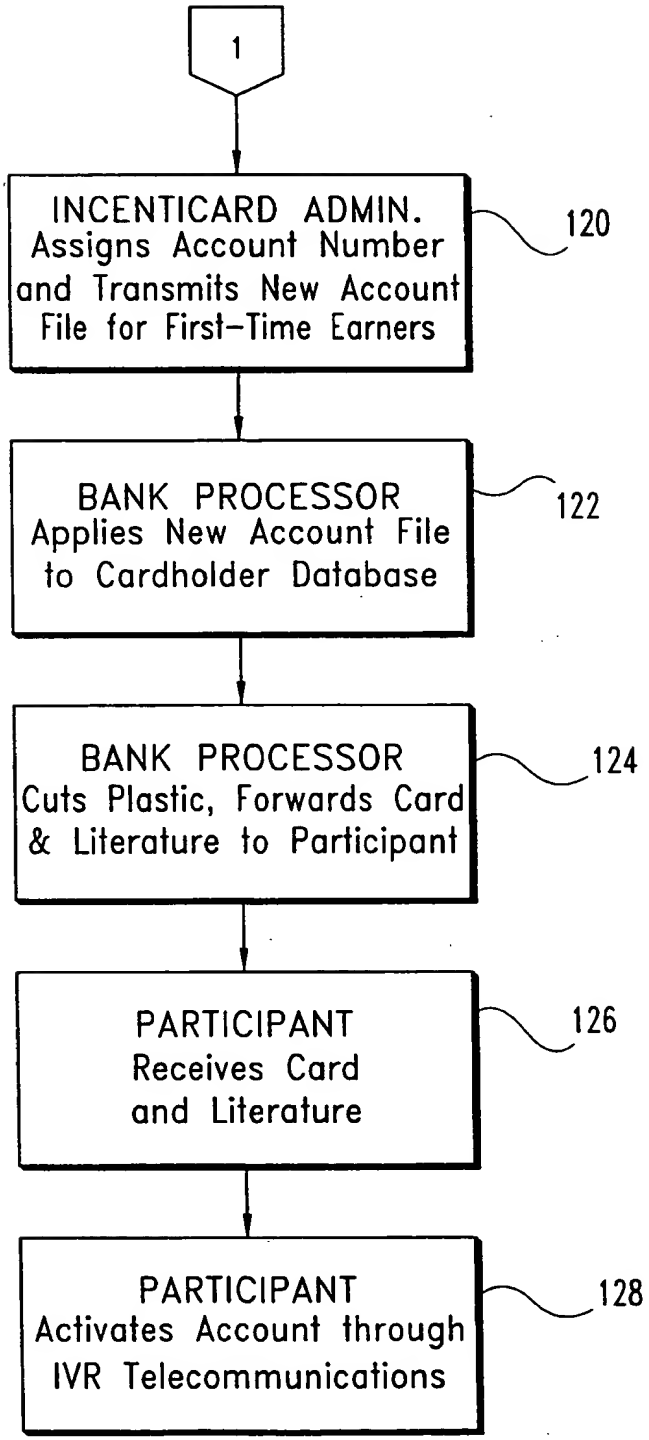

Fig. 6

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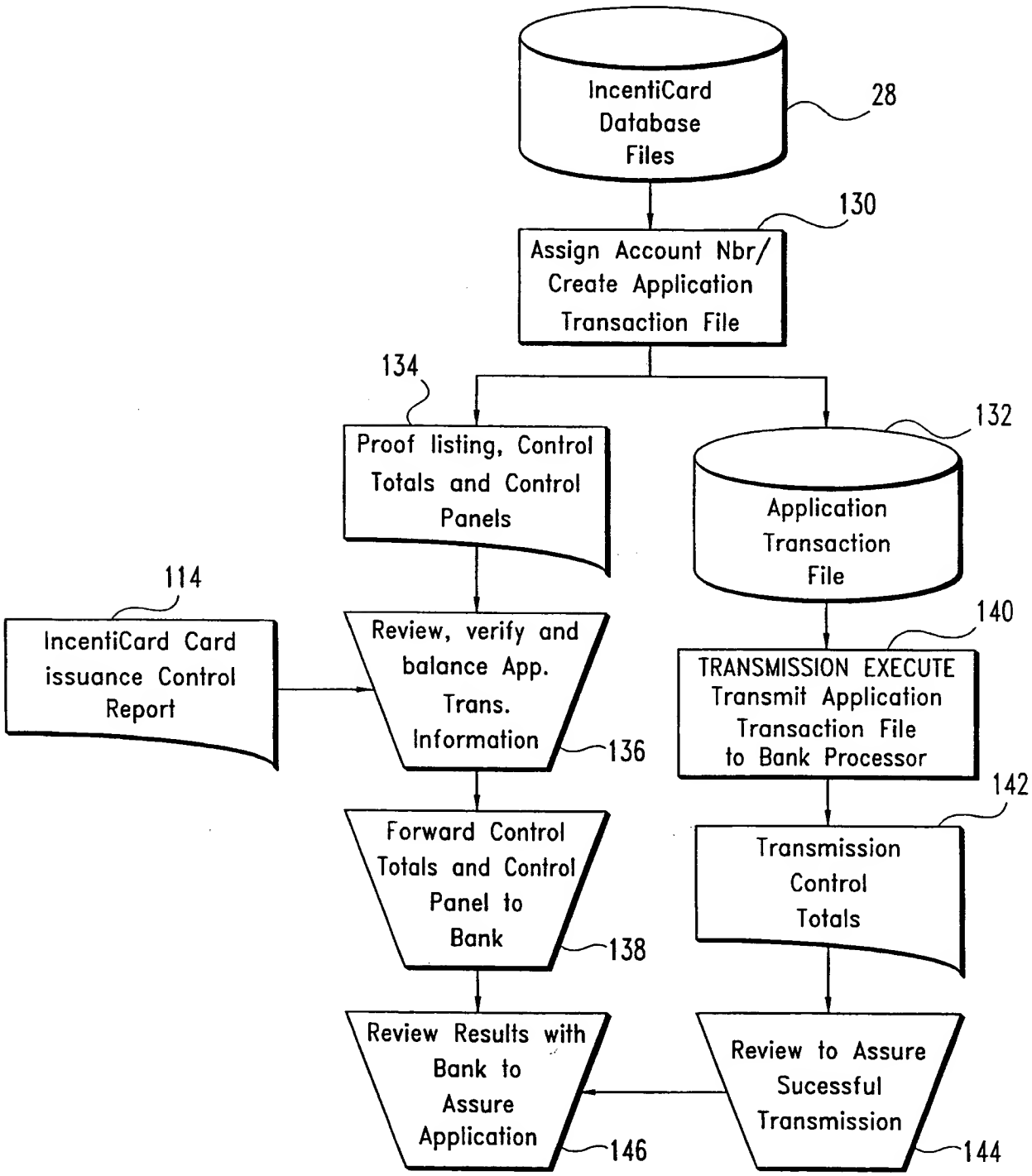

Fig 7

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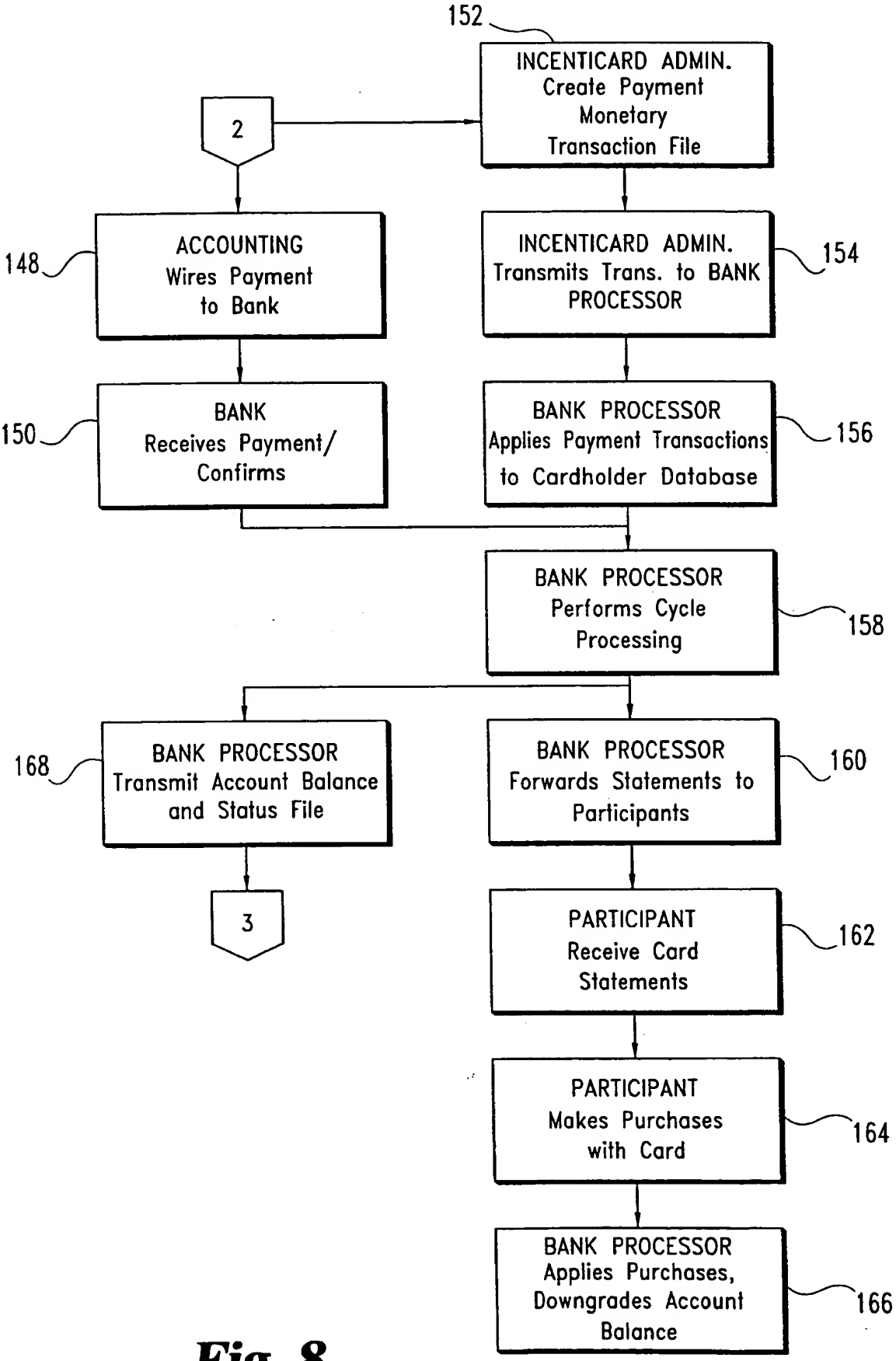

Fig 8

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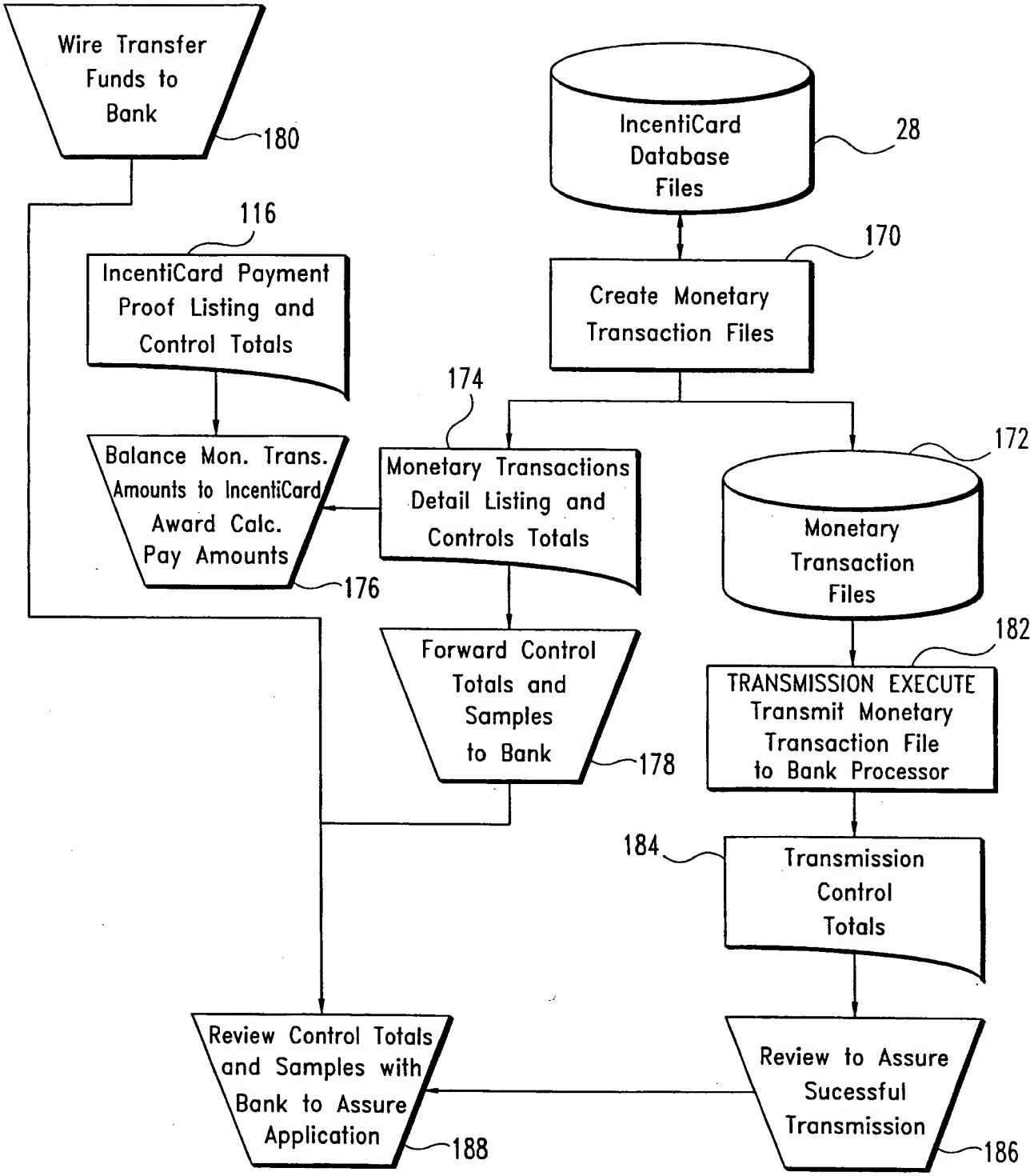

Fig 9

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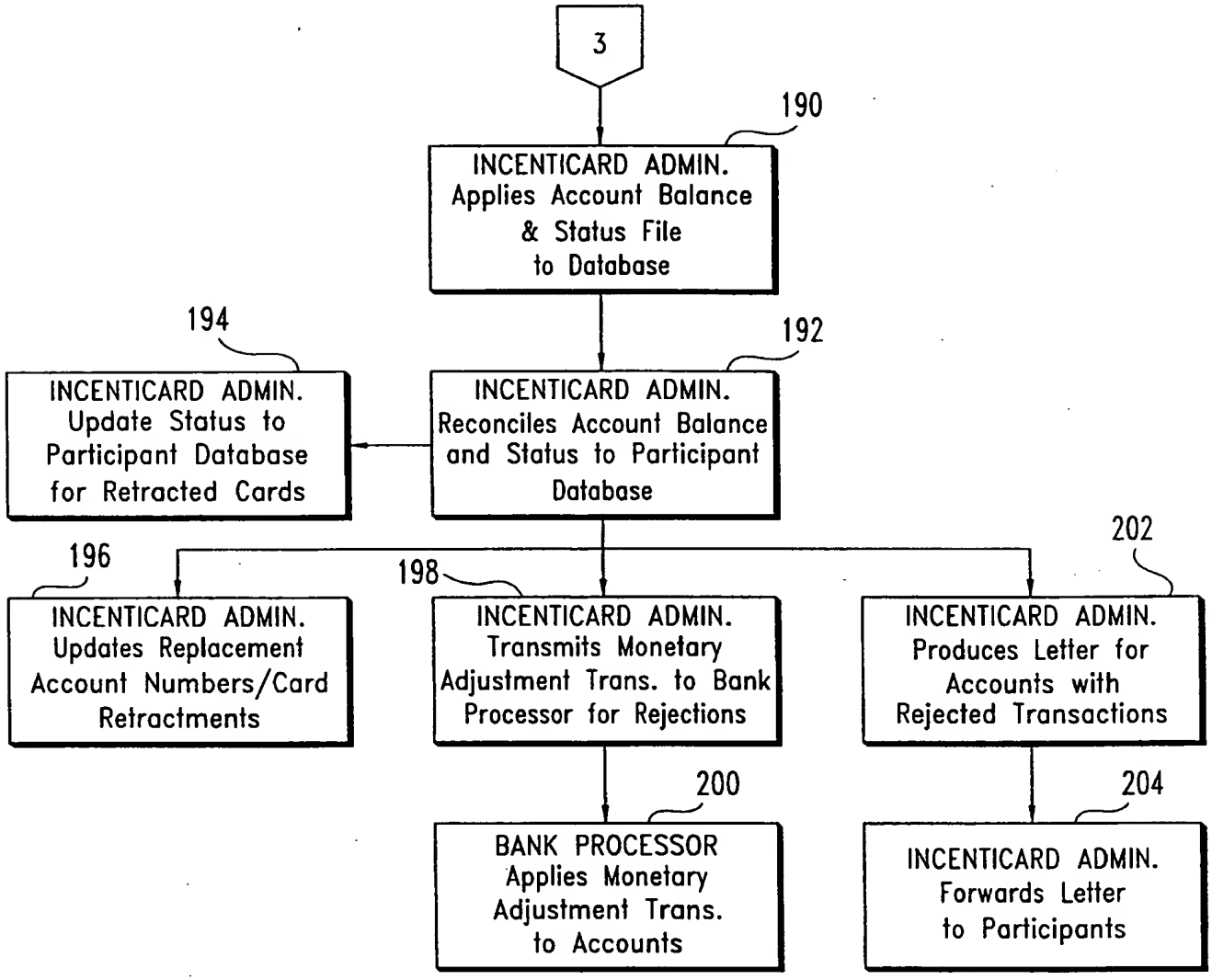

Fig. 10

BNSDOCID: <WO___9828699A1_I_>

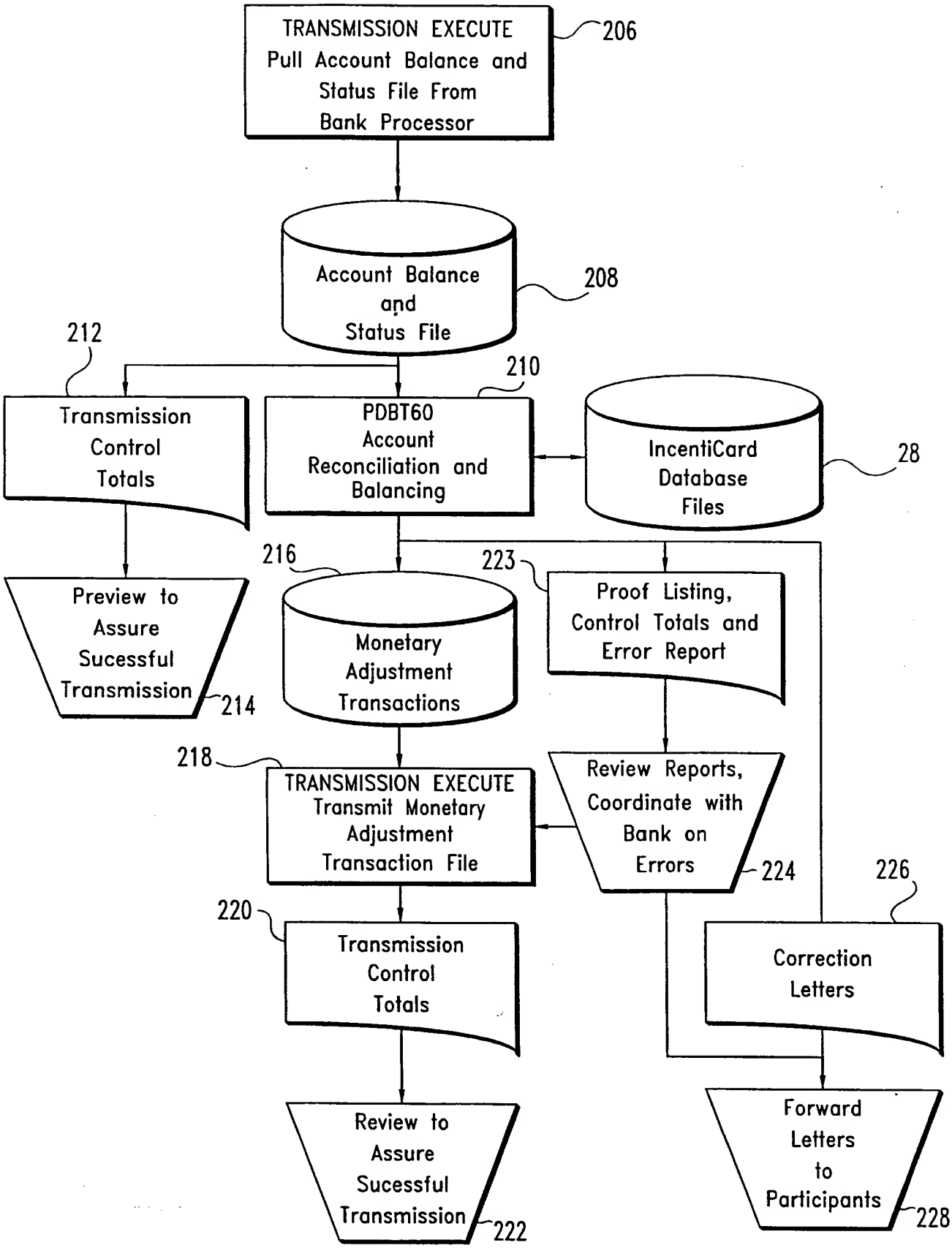

Fig. 11

BNSDOCID: <WO___9828699A1_I_>

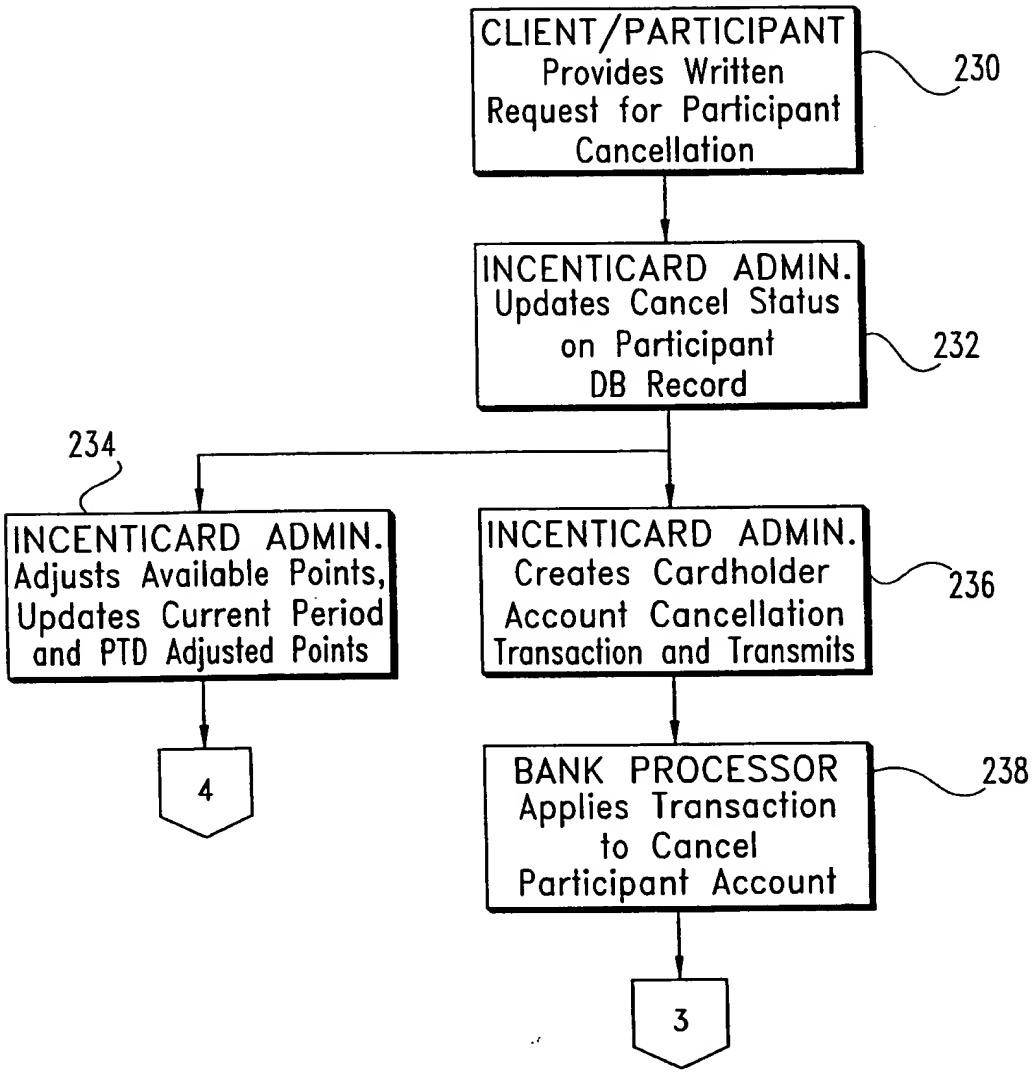

Fig. 12

BNSDOCID: <WO___9828699A1_I_>

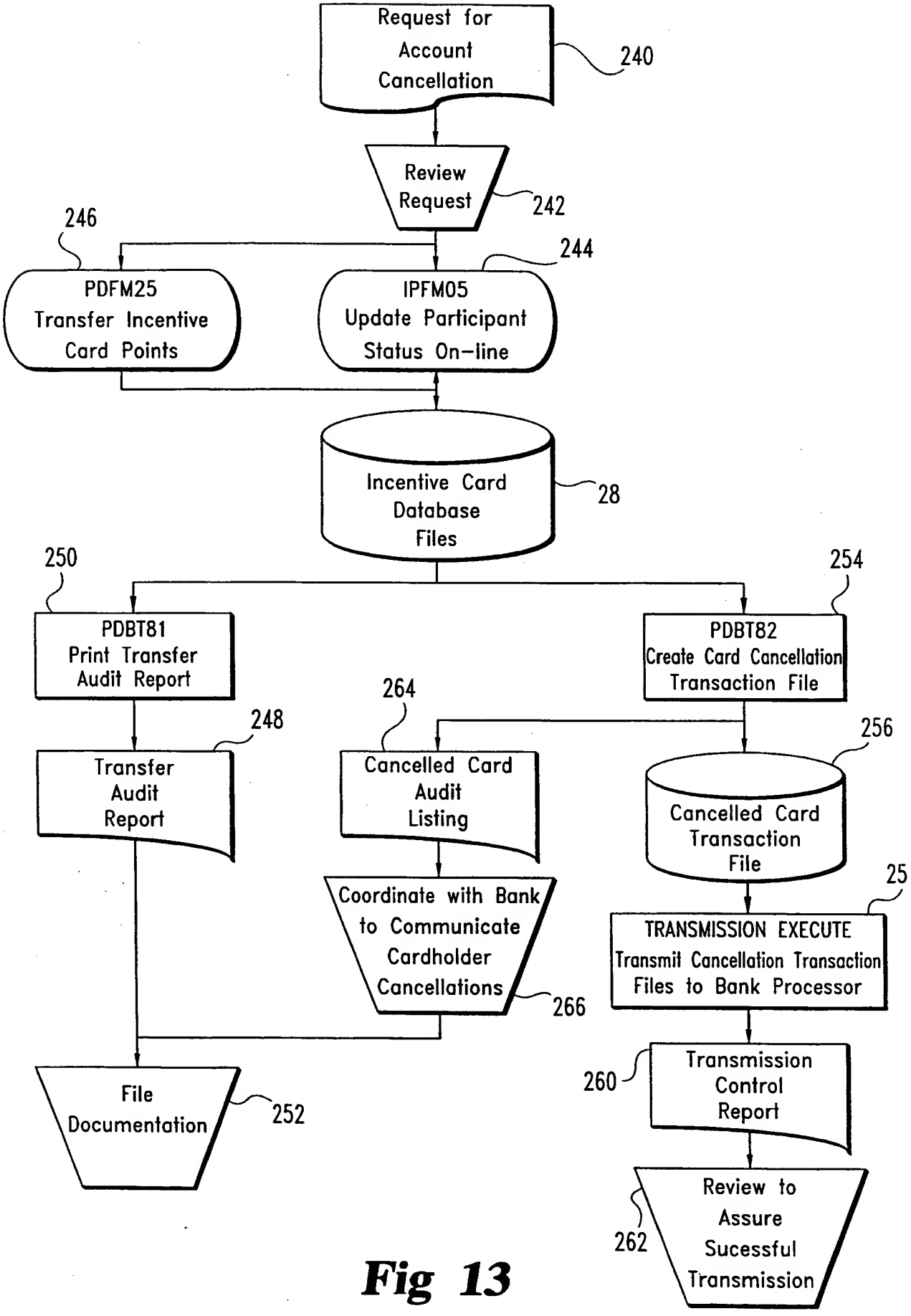
Request for Account Cancellation
240
Review Request
242
246
244
PDFM25 Transfer Incentive Card Points
IPFM05 Update Participant Status On-line
Incentive Card Database Files
28
250
254
PDBT81 Print Transfer Audit Report
PDBT82 Create Card Cancellation Transaction File
264
248
256
Transfer Audit Report
Cancelled Card Audit Listing
Cancelled Card Transaction File
25
Coordinate with Bank to Communicate Cardholder Cancellations
266
TRANSMISSION EXECUTE Transmit Cancellation Transaction Files to Bank Processor
260
Transmission Control Report
File Documentation
252
262
Review to Assure Sucessful Transmission

Fig 13

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US97/10773

A. CLASSIFICATION OF SUBJECT MATTER
IPC(6) :G06F 17/60
US CL :395/214
According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 395/214, 235, 238; 235/379, 380, 381, 383

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

NONE

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

NONE

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	FERGUSON, D.R., Blueprint for 1996: A Plan For Your Consumer Services Awards & Recognition Program; Prepared for : BellSouth Consumer Services; By: Meridian Enterprises, 02 October 1996, pages 1-55, especially page 26.	1
Y	US 5,025,372 A (BURTON ET AL) 18 June 1991, see the abstract, fig. 1.	1
Y,P	US 5,640,553 A (SCHULTZ) 17 June 1997, see col. 11 line 7 to col. 12 line 6.	1
A	US 4,906,826 A (SPENCER) 06 March 1990, see the abstract.	1
A	US 5,537,314 A (KANTER) 16 July 1996, see the abstract.	1

[X] Further documents are listed in the continuation of Box C. [ ] See patent family annex.

*	Special categories of cited documents:	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A"	document defining the general state of the art which is not considered to be of particular relevance	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"E"	earlier document published on or after the international filing date	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"&"	document member of the same patent family
"O"	document referring to an oral disclosure, use, exhibition or other means		
"P"	document published prior to the international filing date but later than the priority date claimed		

Date of the actual completion of the international search 09 OCTOBER 1997	Date of mailing of the international search report 17 NOV 1997
Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231 Facsimile No. (703) 305-3230	Authorized officer ROBERT A. WEINHARDT Telephone No. (703) 308-3900

Form PCT/ISA/210 (second sheet)(July 1992)*

BNSDOCID: <WO___9828699A1_I_>

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US97/10773

C (Continuation). DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation f document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A,P	US 5,606,496 A (D'AGOSTINO) 25 February 1997, see the abstract.	1
A,P	US 5,611,052 A (DYKSTRA ET AL) 11 March 1997, see the abstract.	1
A	US 5,450,938 A (RADEMACHER) 19 September 1995, see the abstract.	1
A	US 5,513,102 A (AURIEMMA) 30 April 1996, see the abstract.	1
A	US 5,297,026 A (HOFFMAN) 22 March 1994, see the abstract.	1
A	US 5,287,268 A (MCCARTHY) 15 February 1994, see the abstract.	1

BNSDOCID: <WO___9828699A1_I_>